

**Statement of the Honorable  
Thomas J. Bliley, Jr., Chairman  
Committee on Commerce  
Subcommittee on Telecommunications,  
Trade, and Consumer Protection  
Hearing on Whether our Legal System is  
Jeopardizing Consumers' Access to Life-  
Saving Products**

**April 8, 1997**

**Today's hearing marks the first step by the House this year to examine the critical issue of legal reform.**

**I would note that the Commerce Committee marked up comprehensive and common sense product liability reform last term. This bill was passed by strong bipartisan majorities in both the House and the Senate. If it had been enacted into law, we wouldn't need to be here today. Unfortunately, it was vetoed by President Clinton.**

**And make no mistake, the liability crisis is getting worse. In 1976, when this Committee was just starting its investigation of liability reform issues, only 10% of product liability jury awards were for \$1 million or more. By 1994, that figure tripled.**

**The problem is particularly severe in the biomaterials industry. Because of the cost of defending themselves from meritless lawsuits, 14 biomaterials suppliers have stopped selling to the medical implant market. Consumers are now at-risk of not being able to obtain critical life-saving medical devices in this country.**

**Where is the benefit to consumers from this legal morass? The U.S. legal system returns less than 50 cents on the dollar to consumers. Less than 25 cents in compensation is paid for actual economic losses.**

**And there is a huge cost to American consumers from our legal excesses -- \$152 billion to be exact. Our legal system is, by far, the most expensive in the industrialized world. In fact, we pay 2 ½ times the average to keep our lawyers well compensated.**

**Over three-fifths of product liability costs goes towards lawyers fees. And the small payout that doesn't line the lawyers pockets is dwarfed in comparison to the wasted time and employee resources spent fighting these out-of-control lawsuits.**

**The American people know that we need reform. It's the President who hasn't gotten the message. A Cambridge Research study found that 95% of**

**Americans believe too many lawsuits are being filed. More than three quarters agree that the amount of money awarded to plaintiffs in civil suits is usually excessive. And nearly 9 out of 10 recognize that too many lawsuits force up the price of goods and services.**

**I am pleased that my good friend Subcommittee Chairman Tauzin is continuing to build up support for liability reform. The need for reform is real, and a solution is at hand. If the President is willing, we can sit down today and negotiate a deal. At any time, and any place. The American people deserve no less.**

**Thank you Mr. Chairman.**